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LABOR COUNCILS TO TAKE OVER  
STATE ENTERPRISES MANAGEMENT

On 22 June 1950, Edvard Kardelj submitted to the assembly the draft of a law providing for the administration of state enterprises by labor unions. According to the proposed law, all state enterprises are to be administered by labor councils and administrative committees of labor collectives. The purpose of this proposal is to administer enterprises more completely according to socialist principles, and to put labor directly in charge of state production. Kardelj stated that the people's direct participation in the administration of state enterprises will further the development of democratic principles in Yugoslavia.

The proposed law calls for the election of a labor council by secret ballot for one year. The council will have the authority to decide on the administration of the enterprise and on the execution of the economic plan. The council will have between 15 and 140 members, depending on the size of the enterprise. Councils of enterprises with less than 30 workers will consist of the entire labor collective of such enterprises. The labor council, as the representative of the labor collective, will vote for and make changes in the administrative committee of the enterprise and the individual membership of the administrative committee and will sanction their activities. The labor council will also approve the basic plans and audit the accounts of the enterprise. In addition to the labor union, a certain number of white- and blue-collar workers also will have the right to propose a list of candidates at the election of the labor council. The elections will be organized by an election commission which is set up by the labor union.

The administrative committee will consist of three to 11 members elected by secret ballot by the labor council.

As the representative of the labor collective, the administrative committee will be in charge of the enterprise and its administration and will be responsible for the fulfillment of the plan. The committee will also make proposals for the basic plans of the enterprise and for the monthly operational

- 1 -

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plans. One of the most important duties of the committee will be to see that production is speeded up and streamlined, productivity increased, production costs lowered, the quality of products improved, and economy observed. At least three-quarters of the committee must consist of workers who are directly participating in production. This committee will determine work norms, proclaim shock workers, decide on the suggestions of rationalizers, and pass on promotions of workers. The committee will see that the regulations on labor relations in the enterprise, salaries, employment insurance, social insurance, and improvement of the living standard of blue and white-collar workers are carried out.

The committee will be responsible to the labor council, to the higher economic union, and to the proper state authorities.

The committee members, who hold office for one year, will not leave their regular work during their period of duty in the committee. Members of the labor council and of the administrative committee, during their year in office will not be able to break their work contracts, and will not be transferred if such a transfer is not in accord with the work contract.

The administrative committee of the higher economic union will appoint a director of the enterprise, who will be in direct charge of the enterprise and will be responsible for the production and administration of the enterprise. He will carry out the laws, directives, and decrees of the administrative committee of the enterprise, of the administrative committee and director of the higher economic union, and of the designated authorities.

The labor council and administrative committee may propose a change in directors.

The federal government, in cooperation with the governments of the people's republics and the Central Committee of the Labor Unions of Yugoslavia, will see that the elections of labor councils and administrative committee are held as soon as the new law on the administration of state enterprises goes into effect.

Both legislative committees of the Assembly accepted the proposal of the above law on 23 June 1950. The proposed law will be submitted at the First Special Session of the People's Assembly on 26 June 1950.

Djuro Salaj, Chairman of the Central Committee of the Labor Unions of Yugoslavia, stated on 23 June 1950 that 520 enterprises have labor councils, which include 14,300 workers.

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- 2 -

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